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Mid-Carolina ELECTRIC COOPERATIVE

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The mission of Mid-Carolina Electric Cooperative, Inc., a not-for-profit member-owned electric distribution utility, is to deliver reliable, cost-efficient utilities and innovative solutions to our members.

Mid-Carolina Electric is an equal opportunity provider and employer.

CO-OP NEWS EDITOR

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Your Touchstone Energy® Cooperative





IT'S BECOME SECOND NATURE.

We flip a switch and the lights come on, from one room to the next and one activity to another. Powering your life is our day-to-day responsibility, but this sense of reliability comes at a cost with many processes and very complex systems

working continuously behind the scenes.

Most don't give a second thought to powering homes and businesses. But last December, as many families prepared for Christmas Day festivities, we faced a power supply crisis. Low temperatures drove the demand for electricity to record highs and power grids to the brink. As a result, many utilities across the southeast, including South Carolina, implemented temporary, planned power outages—called rolling blackouts—across their systems, leaving millions of customers without power on Christmas weekend.

Fortunately for Mid-Carolina Electric members, there were no rolling black-outs. But as our leadership monitored the situation and prepared for the worst, we knew we were facing an even greater problem ahead. We cannot be content having weathered this near miss nor can we choose to be complacent. **We must speak up** about the urgent

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need for new power generation now.

In May, the North America Electric Reliability Corporation (NERC) released a report that warned about an increased number of areas at an elevated risk of "insufficient operating reserves" if demand spikes during summer. National Rural Electric Cooperative Association (NRECA) CEO Jim Matheson called these threats to the power grid unacceptable and said that "America's ability to keep the lights on has been jeopardized."

While the NERC Summer Reliability Assessment states that the southeast was at a lower risk for reliability issues, we can't continue to operate as we are, simply hoping for near misses. We must be proactive.

Like many cooperatives around the country, Mid-Carolina Electric Cooperative is a distribution utility. We rely on Central Electric Power Cooperative to contract with bulk power systems that generate and transmit power, so that we can distribute power to our members. The interconnected nature of the electric grid means that we are all reliant on one another to deliver power to homes and businesses. Whether one generates power, transmits power, or as we do, distributes power, together, we are all vulnerable to future power shortages.

How have we reached this point?

A number of factors have contributed to this shortfall. First, our industry has been forced by environmental regulations to permanently shutter fossil fuel generation plants without building adequate replacement generation. Also, the southeast has experienced a significant increase in the demand for power due to an influx of population as well as a significant increase in economic development.

What can we do to solve this problem?

We need to find a way to increase our natural gas capacity in South Carolina, not only to supply new power plants but to continue to support robust economic development. All stakeholders must gather around the table, working side by side to solve the permitting challenges for both natural gas pipelines as well as additional electric transmission lines. Current federal and state permitting costs and timelines are unreasonable and unacceptable—both present significant obstacles to solving this problem. Further compounding our dilemma remains the ability for literally anyone to bring forth a lawsuit challenging permitting and construction. This, too, must be addressed. The failure to launch V.C. Summer nuclear units 2 & 3 has put utilities in South Carolina 10 to 15 years behind in building generation. This is a critical call to action to move forward, or it will soon be too late.

So what actions are we taking?

Fortunately, a great deal of discussion and preplanning has taken place, with more efforts to address this issue now on the horizon. Area leaders met with the governor in June to discuss the issue further. I want to stress again that we are in critical times. This cannot be a can that we kick down the road for our children and grandchildren to solve.

Cooperatives, too, are taking action. We are sharing everywhere about the need for power generation, from Board and staff meetings to community gatherings and editorials. We are reaching out to lawmakers and providing them with the information they need to push this issue forward. Finally, we are informing

you—our members. It's important for us to be transparent and for you as a member to understand the challenges facing our power grid. We also need to prepare. If we do need to ask you to conserve energy in the future, we hope that this communication will provide context and the reasoning behind it. We hope you will join us in lifting up this issue, whether in conversations with your neighbors or by contacting our legislators. The power of our cooperatives has always been in its people and in the visibility of that strength to others.

As the founders of our cooperative did so many years ago, we are committed to bringing light to darkness, forging new paths and tackling the hard tasks for our members. I never want to face another day like last Christmas Eve, wondering if we had to deliver that tough message to the members we work hard to serve. We do not want rolling blackouts to be the reality we face for years to come. The lights are on today, with the expectation that when you flip the switch they will be on tomorrow. We are speaking out now to keep it that way!

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BOB PAULLING
President and CEO



